

**COMMUNICATION FROM COLOMBIA CONCERNING ANNEX III,
PARAGRAPH 1 OF THE AGREEMENT ON IMPLEMENTATION
OF ARTICLE VII OF THE GENERAL AGREEMENT
ON TARIFFS AND TRADE 1994**

Addendum

The following communication, dated 30 March 2000, has been received from the Permanent Mission of Colombia.

Pursuant to Annex III, paragraph 2 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, the Government of Colombia wishes to withdraw the request for an extension of the delay in the application of the Customs Valuation Agreement and to replace it with a request to make a reservation allowing it to maintain officially established minimum values for a transitional period of five (5) years for the products set out in the Annex to this communication.

For the above-mentioned purposes, the following should be considered:

1. In its instrument of ratification of the Agreement Establishing the WTO of 30 March 1995, Colombia reserved, *inter alia*, the right to maintain the system of valuation of merchandise on the basis of officially established minimum values, pursuant to Annex III, paragraph 2 of the Agreement.
2. Prior to 1995, when the Agreement was ratified, Colombia had used official minimum values to determine the tax base for goods such as land transport vehicles as of 1984, textiles as of 1993, agricultural products as of 1993 and footwear in recent years. The list of products has been steadily and significantly reduced over the past few years.
3. Following the entry into force for Colombia of the Marrakech Agreement Establishing the WTO on 30 April 1995, Colombia launched an ambitious programme of reform and the alignment of its legislation and valuation procedures with WTO rules and disciplines. The programme of legislative amendment went hand in hand with administrative reform and the design of an information technology system for making user formalities easier and more flexible while allowing for efficient control.
4. The legislative process was concluded with the issue of the Decree allowing the full application of the Agreement, except with respect to the short list of goods appearing in the Annex to this communication, for which a reservation is being sought allowing their values to be set on the basis of officially established minimum values for a period not exceeding five years.

5. The tariff subheadings (6-digit HS subheadings) to which minimum values are now applied cover agricultural or agroindustrial products subject to the Price Band and/or Variable Tariff System, land transport vehicles, cotton textiles and footwear.

6. The reservation is being requested for this group of products owing to a series of factors. Colombia is grappling with an unemployment rate of almost 20 per cent, an agricultural sector in structural crisis and an economy facing recession, which intensified in 1999 (-5 per cent) and which is trying to survive despite the severe economic social and political conditions prevailing in the country. The aforementioned situation is being compounded by the large-scale armed conflict taking place in Colombia and which is seriously injuring agriculture and industry and generating mass migration towards urban centres.

7. The country's economic crisis has been extremely harmful to agriculture, industry and employment, especially in the textile and footwear sectors whose reconversion process has been undermined by the international financial crisis that affected our economy and by falling exports to most of our main partners.

8. Should the requested reservation be obtained, Colombia would eliminate the officially established minimum values for the products in the Annex to this communication and apply measures fully consistent with the WTO Agreement within the five-year period for which the reservation is being sought. That transitional period would enable the country to conclude the administrative and information technology reforms necessary for the correct control of customs valuation within the tariff universe, with particular regard to this category of sensitive products, by using the instruments envisaged in the Agreement itself.

ANNEX

**LIST OF PRODUCTS FOR WHICH A RESERVATION TO MAINTAIN
MINIMUM VALUES IS BEING REQUESTED**

0202.10	0203.29	0207.11	0207.12
0207.14	0207.24	0207.25	0207.32
0402.21	0405.10	0405.90	0406.10
0406.20	0406.30	0406.90	0713.31
0713.32	0713.33	1001.10	1001.90
1003.00	1005.90	1006.10	1006.30
1007.00	1101.00	1201.00	1205.00
1206.00	1208.10	1502.00	1504.20
1507.10	1507.90	1508.10	1511.10
1511.90	1512.11	1512.19	1512.21
1512.29	1513.11	1513.19	1514.10
1514.90	1515.11	1515.21	1515.29
1701.11	1701.99	2009.11	2304.00
5208.31	5208.32	5208.33	5208.39
5208.42	5208.43	5208.49	5208.51
5208.52	5208.59	5209.12	5209.31
5209.32	5209.39	5209.41	5209.42
5209.51	5209.59	5210.21	5210.31
5210.39	5210.41	5210.49	5210.59
5211.31	5211.32	5211.39	5211.41
5211.42	5211.43	5211.49	5211.51
5211.59	5212.13	5212.14	5212.23
5212.24	6401.10	6401.91	6401.92
6401.99	6402.12	6402.19	6402.20
6402.30	6402.91	6402.99	6403.12
6403.19	6403.20	6403.30	6403.40
6403.51	6403.59	6403.91	6403.99
6404.11	6404.19	6404.20	6405.10
6405.20	6405.90		
8701.20	8702.10	8703.22	8703.23
8703.24	8704.23	8705.40	
